

Agricultural Accounting: Net Farm Income for Farmers' Welfare

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Abstract:- Rows of rice farmers who have lost their right to freedom, caught up in the political colonization of the business of high capital holders. The welfare of farmers will be achieved if each farmer can meet the target price of rice trees that end up in the desired *Net Farm Income* (NFI). This will also encourage the creation of agricultural areas as pillars of development, especially rural areas. Bone Bolango Regency is one of the strategic areas that are very appropriate for the development of Agricultural Areas in Gorontalo Province, because there are several agricultural products that are characteristic of such as corn, fruit and vegetables. So this research is considered necessary to understand the presence of "power" in the maelstrom of farmers, especially rice farmers and what is behind the optimal income and welfare of farmers.

This research uses a qualitative approach with a critical ethnomethodological paradigm by collecting the data needed from key informants consisting of farmers, communities and governments in developing agricultural products.

This research found that the setting of selling prices at the farmer level is not effective because the selling price is not in accordance with what is set by the Government Purchase Price (HPP) which is for the purchase of dry grain harvest prices with a water content quality of 25% and empty / dirt content of 10% is Rp. 4,200 / Kilogram or Rp. 4,250 / Kilogram in milling, for water content quality of 14% and vacuum / dirt 3% is Rp. 5,250 / kilogram or Rp. 5,300 / kilogram in milling, for the highest water content quality 14%, broken grains are highest 20%, the highest level of 2% and the highest soso degrees rp. 8,300 in the Perum BULOG Warehouse.

The results showed that the still ineffectiveness of the policies that have been carried out by the government due to the factor that in determining the price of traders in this case set the purchase price in accordance with their wishes without regard to the losses experienced by farmers.

Keywords:- Government Purchase Price (HPP), Net Farm Income.

I. INTRODUCTION

1.1. Background

Modernization developed in a region should not give birth to the process of marginalization, but instead must be friendly and give opportunities to local resources to empower their social life. An area designated as a center for the development of sustainable agricultural products such as bone bolango agricultural area, in addition to ensuring that ongoing development still pays attention to environmental sustainability, which is no less important the end of the development of the area is to ensure the improvement of the welfare of local communities, especially local farmers involved in cultivation efforts in the agricultural sector.

In the efforts to develop agricultural areas, the position of local farmers should be placed as a subject or center of interest that should be the main consideration where the direction of development of the region will be rolled out. Agropolitan is conceptually a movement and efforts to develop the region that relies on agricultural development in order to spur and trigger economic development and the welfare of local communities while paying attention to environmental sustainability. In contrast to the usual development of the agricultural sector, an area designated as an agropolitan area, where local farmers are not only encouraged to increase their capacity and production volume, but no less important is how to ensure local farmers get proportional benefits on the products they produce. The income level of farmers is generally influenced by several components, namely the amount of production, selling price, and production costs. Rice is one of the commodities that have bright prospects to increase the income of farmers. This can provide its own motivation for farmers to further develop and increase their production in the hope that at the time of harvest get high sales to meet their needs. But actually at the time the harvest arrives, yields are abundant but prices fall, and even more so if the expected production yield is far from expected, namely very low buyers, minimal production, costs for production activities, ranging from

fertilizer procurement, processing, pesticides and other unexpected costs (Roidah, 2015).

Farmers are required to carefully study the development of prices in the market, especially rice prices. Farmers should know when to decide to sell when to store produce (Arsyad, 2004). Looking at the area of harvest land of 5,114.70 Ha and rice paddy production of 25,008.05 tons with a productivity of 48.89 quintals / ha in 2020 in Bone Bolango Regency, there are still many problems faced by farmers, including when the harvest arrives with abundant income they are still very less than the cost of management, Pesticides and other unexpected costs occur because their crops are only sold to local traders (middlemen) who are in various places, another problem is the absence of an agency that facilitates in distributing or marketing rice paddy production resulting in uneven income received by farmers in Bone Bolango Regency.

The welfare of farmers will be achieved if each farmer can meet the target price of rice trees that end up in the desired *Net Farm Income* (NFI). Unfortunately, the price of rice trees desired to meet the welfare of farmers can not be separated from the "forces" that play in various fields (Hariadi, Et al. 2016).

II. LIBRARY REVIEW

2.1. Understanding *Net Farm Income*

Farmers are food heroes who have never been independent both economically, politically, socially, culturally, and security, so to meet basic needs only they still encounter difficulties. The welfare of farmers will be achieved if each farmer can meet the target price of rice trees that end up in the desired *Net Farm Income* (NFI). Unfortunately, the price of rice trees desired to meet the welfare of farmers can not be separated from the "forces" that play in various fields (Hariadi, Et al. 2016).

Net Farm Income is the total net income from the production generated, which is stated by the formula: $NFI = \text{Gross output (Rp)} - \text{Total Cost (Rp)}$. In the business of farming, capital has a central role to start planting activities. The need for capital to start a business due to the time gap that is too far between crop financing and harvest time for income. With the fulfillment of net profits from agricultural businesses (NFI) it will realize welfare for farmers (Hariadi, Et al. 2016)

2.2. *State of The Art*

The developing agricultural area should be supported by policies that mediate the interests of farmers. Until now, there are still so many farmers who fall asleep in the circle of poverty which is actually one of the indicators of regional development. The state is not only present to guarantee commodities produced from agricultural products, but no

less important is how to manage agricultural products into economic added value for farmers.

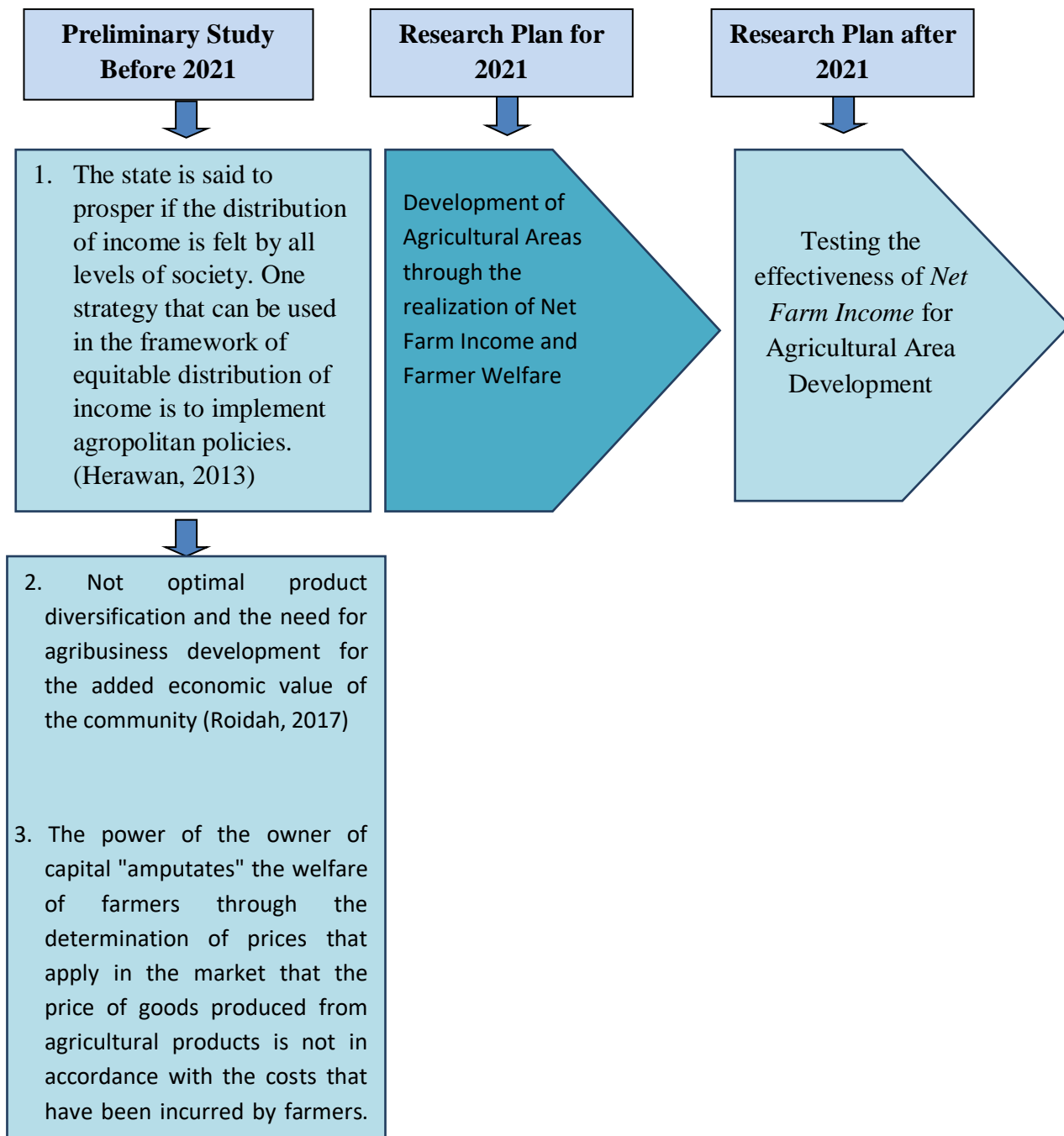
Viewed from an economic point of view, the average life of farmers is less than the word prosperous. This can be seen from various aspects, one of which is the income of farmers who are too minimal. Statistics show, 56 percent of farmers live subsistence with an average land ownership area below 0.5 hectares with income of only 16 million rupiah per hectare per year. This is compounded by the price submitted to the market mechanism. Another thing that shows the welfare of farmers is, the fewer the number of farmers in Indonesia (Hariadi, Et al. 2016).

In agriculture is in dire need of accounting in compiling and knowing the income received by farmers. In the world of international accounting, there are rules regarding agriculture, contained in IAS (*International Accounting Standard*) 41. But IAS 41 itself can not be said as a solution that can be taught and can be given to farmers so that farmers can do calculations better and more precisely. This is because IAS 41 is too pushy to refer to the fair value of the main (large) market and tends not to be appropriate if applied in certain biological assets (Amir et al. 2013).

In terms of accounting, the farmers do not know what is accounting, and how accounting itself, and what farmers know is the recording of what expenses they spend. This shows that the recording done by farmers is very simple, and in the form of traditional recording because some farmers only use their memories in terms of what expenses should be spent and of course accounting practices like this can cause losses for farmers as a result of miscalculation.

This research is an initial study or basic research and inspired by research that has been done by previous researchers, such as his research (Herawan, 2013) which examined the implementation of local resource-based agropolitans in Gorontalo Province which found that a country is said to prosper if the distribution of income is felt by all levels of society. One strategy that can be used in the framework of equitable distribution of income is to implement agropolitan policies.

Then research (Roidah, 2017) which found that not optimal product diversification and the need for agribusiness development for the added economic value of the community. Thus the research conducted by (Hariadi, Dkk 2016), on Nestapa Petani in Indonesia who photographed how the power of capital owners "amputates" the welfare of farmers through the determination of prices that apply in the market, that the price of goods produced from agricultural products is not in accordance with the costs that have been incurred by farmers. What has been described earlier can be presented in the following *roadmap*:



III. RESEARCH METHODS

3.1. Research Methods and Approaches

This Type of Research Is Qualitative With a Critical Ethnometodological Approach. Qualitative Research Process is based on a methodology that investigates a social phenomenon and humanitarian problem by describing and understanding it in depth.

IV. RESULTS AND DISCUSSIONS

4.1 Entering the Data Home as a First Step

For researchers, this study is a journey to find the truth related to the problems faced by local farmers, especially rice farmers located in the village of Tumbihe District Kabila Bone Bolango Regency. On several occasions researchers met key informants to extract important information about rice field production and how the sale of rice field products supports the economy of farmers. This is an important target because the results of this research are expected in the future to formulate how strategies and

policies should be in terms of producing quality and most importantly farmers can prosper farmers by obtaining *Net Farm Income* (NFI) so that farmers can benefit from their agricultural business [see: Soekarwati (2002); Hariadi (2016)]

For some they consider that farmers are food heroes who have never been independent economically, politically, socially, culturally or security, so often difficulty just making ends meet. Therefore, according to several studies conducted in Indonesia it can be said that the condition of

farmers is still far from the criteria of prosperity, or has not achieved success (Hariadi, et al, 2016: 7).

A very concerning condition where the role of farmers should have a large advantage due to high demand, such as rice as the superior commodity of society. When a lot of demand for rice consumption can generate sales turnover and profits from these sales should be able to cover the living needs of farmers.

Rice Harvest, Production, and Productivity (Rice Paddy and Rice Fields) by District in Bone Bolango Regency, 2019						
District	Coconut			Cocoa		
	Harvest Area	Production	Productivity	Harvest Area	Production	Productivity
Tapa	50.00	290.00	58.00	-	-	-
North Bulango	72.00	439.20	61.00	-	-	-
South Bulango	990.00	5 541.48	55.97	-	-	-
East Bulango	438.00	2 847.00	65.00	-	-	-
Bulango Ulu	-	-	-	16.00	80.00	50.00
Kabila	1 104.00	7 176.00	65.00	-	-	-
Botupingge	-	-	-	-	-	-
Tilongkabila	1 435.80	9 472.80	65.98	-	-	-
Suwawa	222.00	1 332.00	60.00	-	-	-
South Suwawa	-	-	-	-	-	-
East Suwawa	-	-	-	-	-	-
Central Suwawa	-	-	-	-	-	-
Pinogu	100.00	470.00	47.00	-	-	-
Bone Pantai	-	-	-	-	-	-
Kabila Bone	-	-	-	-	-	-
Bone Raya	-	-	-	-	-	-
Bone	-	-	-	-	-	-
Bulawa	-	-	-	-	-	-
Bone Bolango Regency	4 411.80	27 568.48	477.95	16.00	80.00	50.00
Source: Department of Agriculture and Food Security Bone Bolango Regency						

The data above is extensive data on rice harvest, production, and productivity in Bone Bolango Regency in 2015. Researchers do not get the latest data due to the reason for updating the data. This data is used only as a sample to calculate and assess the production and productivity of rice itself.

On an occasion researchers interviewed Mr. Yusuf who is everyday as an employee who works at the office of the Central Statistics Agency (BPS) Bone Bolango Regency, to ask about the latest data on the area, harvest, productivity and production in 2020;

"... Sorry sir, the latest data is sometimes not updated on the BPS Bone Bolango website but from the results of analysis of the area of harvest, production and productivity of rice fields and rice fields in 2020 productivity amounted to 48.89 quintal / Ha, Harvest Area 5,114.70 Ha and production of 25,008.05 tons, while for the 2020 data is not presented percamatan but the total number of districts in Bone Bolango Regency".

Real data is needed for users to analyze the production, productivity and extent of rice paddy and rice field harvest so that it can be an analysis material for stakeholders. For information on the Potential of the Agricultural Sector in bone bolango regency consists of several agricultural commodities, namely: Agricultural commodities of food crops consisting of rice, corn, peanuts, green beans, kedelei beans, sweet potatoes and yams; Horticultural plant commodities consist of onions, onions, petsai/mustard, cayenne pepper, tomatoes, eggplant, cucumbers, kale, spinach and long beans; Plantation crop commodities include Coconut, Cocoa, Kemiri, Guava, Kapuk, Nutmeg, Clove, Coffee, Aren, Vanilla, Cinnamon; and Fruit Plant Commodities namely Alpokat, Starfruit, duku, langsung, Durian, Guava, Guava water, Siamese Oranges / Keprok, Big Oranges, mangoes, Jackfruit, nenas, Papaya, Banana, Rambutan, Soursop, and Breadfruit.

4.2. Understanding Farmers' Complaints

In accordance with the purpose of this research is for how rice farmers manage the results of their rice fields to determine the price of the goods in accordance with the cost of rice management, especially in calculating *Net Farm Income* received. Then whether the income received is in accordance with what they (farmers) expect or vice versa. It is necessary to conduct an investigation so that the information collected can be analyzed in accordance with the purpose of this research.

On the first occasion the researcher visited the residence of a farmer who gave his views on the complaints often faced by farmers, he argued;

".. Complaints that we often feel, especially rice farmers in Tumbihe Village or maybe in Gorontalo Province are due to the lack of fertilizer availability. The price of fertilizer is quite expensive because it has been in determining the price of fertilizer we farmers have never been involved, even though we are the most often used fertilizer, another thing is also fertilizer is often lost and difficult to trace due to the recipient data that is not final at the Regency level".

Farmers should play a role in determining the price of fertilizer because farmers are the main consumers of fertilizer so they have the right to determine the price of fertilizer. Therefore, if it is not involved in the determination of fertilizer prices then as a middle way to maintain the availability of very high fertilizer the government needs to inject funds in the form of fertilizer subsidies. The ministry of finance increased the budget for subsidized fertilizer in 2020 by about 1 million tons, or Rp3.14 trillion. This good news as well as answering the complaints of a number of farmers, the government's goal to increase fertilizer subsidies in 2020 is to increase agricultural productivity and can support food security.

In addition, he also gave other complaints related to the problems faced by rice farmers in Kabila Village which is more focused on capital;

"The problems I face as a farmer are usually related to capital,...the cost of growing rice is often a common problem for us. Especially if rice farmers experience crop failure due to natural constraints or pest attacks of plant diseases, including the problem of grain prices if far from the price of grain that has been set by the government, it can cause and make many rice farmers unable to continue their farming business"

Rice farmers are the main actors in realizing the availability of rice in Indonesia, through rice farmers rice needs for all Indonesian people including for the raw material needs of the food industry can be met properly. However, rice farmers are also faced with various complex problems, one of which is the capital needed in financing agricultural activities. Therefore, it is not uncommon for this problem to cause great losses for them.

There is also a fundamental problem related to rice farmers, namely the problem of land tenure in Indonesia, according to some information we gathered in various sources in 2020 that one of the parameters of rice farmers' welfare in addition to grain prices is the problem of land tenure and crop yields, there are currently 14 million farmers' households only have land smaller or less than 0.5 hectares. The average land ownership of rice farmers in Indonesia reaches 0.8 hectares, this figure is still far less than the ownership of rice fields in Japan 1.57 hectares, South Korea 1.46 hectares, the Philippines 2 hectares and Thailand 3.2 hectares. Especially for Bone Bolango Regency, land tenure problems can be overcome properly with the help of the local government. As revealed by the informant (Mr. Mani);

"... Because the rice land in Bone Bolango Regency covering an area of no more than 5,114 ha has been controlled by farmers, this is enough to produce production as needed even though it is still not enough to finance our economy (farmers).

The average land ownership of rice farmers in Indonesia reaches 0.8 hectares, this figure is still far less than the ownership of rice fields in Japan 1.57 hectares, South Korea 1.46 hectares, the Philippines 2 hectares and Thailand 3.2 hectares. For the government such as informant Mr. Ali (name disguised) more focused on the availability of fertilizer because specifically for rice farmers fertilizer becomes a classic problem and maybe even farmers throughout the country recognize that the availability of fertilizer is the most important;

".. The problem of subsidized fertilizer distribution whose root problem is about the data of subsidized fertilizer recipients so that in distribution is also a problem, until now also the data problem has not been fixed. The allocation of subsidized fertilizer in 2021 amounted to 8.9 million tons, the budget prepared by the government for the allocation amounted to Rp 29.76 trillion. The distribution of subsidized fertilizer is still constrained due to delays, especially at the district level in issuing a Decree for subsidized fertilizer allocation in 2021".

In addition to the problems of fertilizer, capital and land tenure there are also several problems from various sources that are the main complaints of farmers in Indonesia as follows;

First, the quality of rice farmers' human resources tends to be low, including the ability of rice farmers to fertilize their land, even though fertile soil is an asset for rice farmers, including also difficult to absorb knowledge and skills to improve crop yields and difficult if it has to relate to technology.

Second, the problem of seed shortage, both in quality and quantity is still an obstacle in the agricultural world in Indonesia. The dependence of farmers on hybrid seeds, in terms of repair, farmers often deal with the law, Law No. 29/2000 on The Protection of Crop Varieties (PVP Law) only accommodates the interests of crop breeders, the law makes limits between farmers and crop breeders, where farmers and plant breeders are in different positions. The right of the farmer is the right to plant seeds and can also develop the seeds themselves, while the right of breeders is to trade seeds, the condition is different from the philosophical farming that farmers are free to plant any seed as long as it is for the benefit of mankind.

Third, the price of grain per harvest is always lower than the price of government fixed grain, although there is already Regulation of the Minister of Trade No. 24 of 2020, the price of GKP at the farmer level is set at 4,200 per kg but the regulation is not effective. GKP prices in some regions are currently below 3,900. Bulog will also not be able to absorb the crop of rice farmers because of the price rules and warehouse limitations owned by Bulog.

Fourth, the high price of pest repellent or pesticides. The price increase will certainly make farmers' expenditures even greater, if farmers do not use pesticides may fail to harvest due to pests, on the other hand the selling price of relatively the same crop can even be cheaper.

Fifth, crop failure due to rat pests that attack rice stems so that the growth is not perfect and can not harvest. Rat pests attack plants every beginning of the rainy season, rat pests breed very quickly, during one growing season, female rats can give birth 2-3 times, so that one mother is able to produce up to 100 rats, so the population is very quickly increasing.

Sixth, floods are natural disasters that occur when excessive water flow soaks rice fields that cause crop failure, rice grain owned by farmers is damaged or rice crops are submerged in water, floods can also cause farmers to fail to plant and grain quality becomes damaged.

The question now is what can be done by the government from the many problems faced by Indonesian rice farmers, ranging from seed factors, land, fertilizers, pesticides, grain prices, pests and crop diseases to climate factors such as floods? Of course farmers will not be able to work alone, it takes the role of the state in it. Development

in agriculture is the duty and responsibility of the entire Indonesian nation because food problems are a matter of life and death of a nation and the agricultural sector is also the spearhead of the progress of the Indonesian nation in determining the level of welfare of its people.

In order to create food security, farmers and entrepreneurs must be supported by the government to produce high rice so that the government's plan to achieve rice self-sufficiency can be achieved again. If we look at history, in 1984 Indonesia once achieved rice self-sufficiency. To achieve rice self-sufficiency, a government policy is a government policy in agriculture to accelerate the pace of agricultural development so that the government is able to produce rice for the needs of the entire Indonesian population of 271 million people.

Agricultural politics is not aimed at defending the interests of groups or groups, but to emulate the interests of the general public, especially for the benefit of the nation and the state for the life of generations of posterity in order to be better. In making agricultural policy, the government needs to analyze various factors, such as social including there are elements of culture and local wisdom in it, economy, politics, techniques, laws, norms and ethics and many more that need to be studied in depth so that an agricultural policy can accelerate agricultural development.

4.3. Selling Prices for Farmers' Welfare

In the context of building the welfare of farmers, we must know in advance the root cause of why farmers have not been prosperous even though in practice the production produced by farmers is large enough in addition to the land that is worked large enough to be able to support 270 million Indonesians whose notes consume rice as a staple food. If the amount of production is not able to generate income to cover the costs that have been incurred in rice management then of course farmers will experience losses.. However, so far the income of farmers is actually quite large, it's just that the price of grain per harvest is relatively small not proportional to the price that has been set by the government so that the income of farmers is relatively small. Therefore, to support the achievement of farmers' welfare, the government not only controls prices but no less important is to monitor various entrepreneurs to ensure the price of grain or rice remains stable. In Permendag No. 24 of 2020 on Government Purchase Pricing for Grain or Rice; for the purchase of dry grain harvest price with water content quality of 25% and empty content / dirt of 10% is Rp. 4,200 / Kilogram or Rp. 4,250 / Kilogram in milling, for water content quality of 14% and vacuum / dirt 3% is Rp. 5,250 / kilogram or Rp. 5,300 / kilogram in milling, for the highest water content quality 14%, broken grains are highest 20%, the highest level of sosoh is 2% and the highest sosoh degree is Rp. 8,300 in Perum BULOG Warehouse.

For the determination of the price of grain or rice in Bone Bolango Regency itself at any time can change as expressed by Mr. Mani a farmer in Tumbihe Village;

“... The increase in the price of rice often occurs at any time it is due to the problem of price policy regulated by the government, but the most influential is the selling price at the merchant level, ... Traders tend to bid to farmers at such a cheap price, farmers with circumstances forced to sell because to keep consumers (traders) do not buy, this is done because the number of traders is quite limited while farmers cultivators are quite a lot, so that traders can buy on other farmers, ... Actually, the government has set the price according to the government purchase price (HPP) both for dry grain harvest (GKP) and milled dry grain (GKG). However, prices tend to be cheaper, ... Selling prices at the consumer level cannot be enjoyed by farmers because the selling price has not been able to cover all costs plus living needs. ... Due to price competition between traders, it causes the purchase price of rice per kilogram to farmers to be low because they want to attract consumers”

By definition, price at the farmer level is the price agreed upon at the time of the transaction between farmers and merchants collecting / middlemen / milling parties found on the day of observation with the quality as is, before being charged post-harvest freight. The price at the Milling Level is the price at the farmer level coupled with the amount of costs to the nearest mill (including the cost of unloading / loading and renting a vehicle) plus other costs (levy, consumption, etc.). while the Government Purchase Price (HPP) is the minimum price that must be paid by the milling party to farmers in accordance with the quality of grain as stipulated by the Government. Pricing is done collectively between the Ministry of Agriculture, The Minister of Economic Affairs, and Bulog. (BPS.go.id).

In practice as disclosed by informants, prices tend to increase due to agreements between farmers and traders / middlemen / mills. Traders generally pay as they wish without regard to the price set by the Gorontalo Provincial Government (prices between regions vary), because they (traders / middlemen / mills) generally want to benefit from farmers. As expressed by Mr. Eman (as a pseudonym) a trader and owner of one of the Rice Mill in Tumbihe Village who expressed related to the purchase price of rice that tends to be low;

“...I buy rice from farmers usually at a price of Rp. 3,500-3,700 / kilogram for the quality of rice that is 25% water content, for the cost of milling per kilogram is usually Rp.75-100 / kilogram. ... The low purchase price of the price that has been set by the government because we traders want to get profits (profits) from the sale of rice. ... Because of price competition between traders so that the purchase price to farmers must be minimized or we press as little as possible to get profits, because usually other traders sell at a fairly cheap price”

From what Mr. Eman said above, it can be concluded that the selling price has decreased due to the occurrence of price games at the level of Traders / middlemen / milling parties. This then affects the income of farmers, so that the profits obtained by farmers become smaller than they should be (if traders use the basic HPP), not to mention if we talk

about farm workers who are waged by farmers. With the income of farmers from the low selling price, automatically the wages of farm workers become smaller because they are adjusted to the income of farmers (owners).

In addition to the Government Purchase Price (HPP), other policies have been regulated by the government, namely related to the Highest Retail Price (HET) for rice that has been milled, as stated in The Ministry of Trade Regulation No. 27 of 2017 which aims to avoid unexpected increases in rice prices. The regulation was then revised in Permendag No. 57 of 2017 to accommodate the diversity of the rice market in Indonesia by including several types, quality and differences in rice prices between regions.

That is, pricing for GKP and GKG becomes ineffective because the market price is always higher than the government regulated price. The existence of a price gap causes farmers to prefer to sell rice to private buyers who want to pay more than to Bulog, according to the price that has been set. Similarly, the determination of HET at the seller level becomes ineffective because the selling price is already higher than the Highest Retail Price (HET).

One of the impacts of farmers who prefer to sell their rice to private buyers is the decrease in bulog rice uptake. Based on Bulog 2020 data, the amount of Bulog uptake from farmers decreased by 2.96 million tons of GKG in 2016 to 1.48 million tons in 2018. This Bulog can not compete because of budget constraints. Meanwhile, the price of rice in the Indonesian retail market is consistently always above the Highest Retail Price (HET). While the HET of medium rice is set at around Rp. 9,450 - Rp. 10,250 per kilogram in Permendag No. 57 of 2017, the average domestic rice price between during 2020 is Rp. 11,800 per kilogram according to the National Strategic Market Price Information Center (PIHPS).

4.4. Discussion

NFI as a Tool to Stabilize Prices

From the searches conducted by researchers and various statements made by informants that the increase in rice prices occurred only at the market level while the selling price at the farmer level was relatively low, this caused traders to get large profits while farmers' profits were still relatively small. Maybe we think that the price of rice in the expensive market is a farmer's advantage, this is a mistaken understanding because farmers generally do not sell rice in the market but are sold to various traders, then from rice traders sold retailly per kilogram in the market. The selling price becomes more expensive because of the factor of traders who want to benefit more from the proceeds of their sales, the selling price becomes varied according to the price determined by the trader usually by paying attention to the quality of rice and the purchase price of rice from farmers in addition to other costs attached.

For researchers, to develop an agricultural area that is most important in it is how "farmers and farm workers can prosper" because it is impossible to develop an area,

especially agriculture if the economic problems of these farmers have not been able to be solved. Therefore, there needs to be intense communication between farmers, traders and the government in determining prices. The minimum for the selling price at the farmer level must consider all the costs that have been incurred by farmers, one of which is wages for farm workers. So far the policy for selling prices has not been effective in accordance with government rules and it is felt that there is also a policy that regulates how much wages farmers receive so that it will push the selling price at the farmer level to be higher to ensure *Net Farm Income* (NFI) can be realized.

In net income farmers tend to be small, because farmers' income is still not able to cover expenses in the harvest process. These costs become increased when farmers experience crop failure due to damaged rice, flooding and so on. Sometimes farmers also have to go into debt to pay the wages of farm workers because the cost of wages is forced to be used to cover losses. Therefore, the selling price at the farmer's level should be higher than usual so that farmers have more advantages to cover operational costs during the harvest and have capital adequacy to cover other unexpected costs when the harvest fails.

Therefore farmers must ensure a net profit higher than operating costs during the harvest period, which reaches 75-100%, for example if the costs incurred during the harvest period are Rp. 2,000 then the selling price of grain or rice must range from Rp. 3,750-Rp.4000. Thus, farmers will tend to experience profits and will be able to improve their economy. However, this high selling price will cause traders not to buy rice or grain from farmers, this is quite a dilemma because traders have other concepts in the setting of the selling price as previously disclosed informants. For that, as a middle ground or solution is the need for policies from the government related to prices at the farmer level, so that the selling price is the same between farmers and other farmers. This policy or rule has certainly been made by the government, but there is still a price game at the farmer level, for researchers, it may take continuous supervision to make the selling price at the farmer level not to be cheap.

Therefore, in further researches it is necessary to develop the NFI model for selling prices, in order to stabilize prices at the farmer level. This model takes into account quality and operational costs in more detail to ensure greater profits for farmers and farmworkers. This model can also adopt the characteristics of local wisdom as part of the agricultural area.

V. CONCLUSION

The problem of farmers in Tumbihe Village is that the profits (profits) they get have not been able to improve their economy. This is because the selling price at the farmer level is relatively small not proportional to the selling price that has been set by the government. Farmers tend to experience capital problems during the harvest period or when they fail to harvest so to determine the net profit farmers must get additional capital through loans.

The harvest area, production and productivity of rice fields and rice fields in 2020 productivity amounted to 48.89 quintals / Ha, Harvest Area 5,114.70 Ha and production of 25,008.05 Tons in 2020. With a relatively large production was not able to prosper farmers.

This research found that the setting of selling prices at the farmer level is not effective because the selling price is not in accordance with what is set by the Government Purchase Price (HPP) which is for the purchase of dry grain harvest prices with a water content quality of 25% and empty / dirt content of 10% is Rp. 4,200 / Kilogram or Rp. 4,250 / Kilogram in milling, for water content quality of 14% and vacuum / dirt 3% is Rp. 5,250 / kilogram or Rp. 5,300 / kilogram in milling, for the highest water content quality 14%, broken grains are highest 20%, the highest level of 2% and the highest sosoh degrees rp. 8,300 in the Perum BULOG Warehouse.

This research also found that the still ineffectiveness of policies that have been carried out by the government due to the factor that in determining the price of traders in this case set the purchase price according to their wishes without regard to the losses experienced by farmers.

5.2. Suggestion

There needs to be a more intense dialogue between the government, traders and farmers to maintain price stability at the farmer level in order for farmers to get more net profits than they should get.

There needs to be supervision by the government about selling prices at the farmer level to ensure farmers do not suffer losses.

Further research is needed to find out what is behind the determination of selling prices to traders in addition to policies that have been regulated by the government.

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